

Message Text

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ORIGIN AGRE-00

INFO OCT-01 ISO-00 IO-13 STR-07 ITC-01 COME-00 LAB-04
INT-05 TRSE-00 CEA-01 CIAE-00 DODE-00 EB-08
FRB-03 H-01 INR-10 L-03 NSAE-00 NSC-05 PA-01
CTME-00 AID-05 SS-15 USIA-06 SP-02 SOE-02 OMB-01
DOE-11 /105 R

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APPROVED BY STR:JSTARKEY
STR:SSCHWAB
ITC:JBOYD
COM:LHOLEC
LABOR:DWANAMAKER
STATE:HKOPP
INTERIOR:HANDERSON
TREAS:EBARBER

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FM SECSTATE WASHDC
TO USMISSION GENEVA PRIORITY

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USMTN

E.O. 11652: N/A

TAGS: ETRD, EAGR

SUBJECT: AMENDMENTS TO AND CLARIFICATION OF U.S. MTN RE-
QUESTS ON AGRICULTURAL PRODUCTS: EUROPEAN
COMMUNITY

REF: GENEVA 9638

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1. AMENDMENTS: ADDITIONAL TARIFF AND NTM REQUESTS ARE TO
BE MADE OF THE EUROPEAN COMMUNITY AS FOLLOWS:

(A) EX 02.01 A II A 1 CC FRESH OR CHILLED BEEF
EX 02.01 A II A 2 DD FROZEN BEEF

THE U.S. REQUEST SHOULD BE FOR A SEPARATE, LEVY FREE MFN

QUOTA FOR HOTEL OR RESTAURANT TRADE OF 10,000 TONS (RATHER THAN 5,000 TONS AS ORIGINALLY INDICATED), WITH AN ANNUAL GROWTH FACTOR OF 5 PERCENT FOR AT LEAST 10 YEARS.

(B) 20.06 B II B 6 AA CANNED PEARS, SUGAR CONTENT 15 OR MORE

20.06 B II B 6 BB CANNED PEARS, SUGAR CONTENT LESS THAN 15

THIS IS A NEW REQUEST. NO TARIFF REQUEST IS MADE. THE

PRESENT LICENSING AND SECURITY DEPOSIT REQUIREMENTS SHOULD BE ELIMINATED.

(C) 08.12 C DRIED PRUNES

20.06 B II B 7 AA CANNED PEACHES, SUGAR CONTENT 15 OR MORE

20.06 B II B & BB CANNED PEACHES, SUGAR CONTENT LESS THAN 15

IN ADDITION TO THE TARIFF REQUESTS PREVIOUSLY INDICATED, THE U.S. REQUESTS THE ELIMINATION OF THE PRESENT LICENSING AND SECURITY DEPOSIT REQUIREMENTS

(D) 20.07 B II A 4 BB PINEAPPLE JUICE NOT CONTAINING LIMITED OFFICIAL USE

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ADDED SUGAR.

THE EXISTING DUTY OF 20 PERCENT SHOULD BE REDUCED TO 8 PER CENT. THIS REQUEST REPLACES THE REQUEST ON 20.07 B II A 4 AA, WHICH SHOULD NOW BE DELETED.

2. EXPLANATION: THE SUBPARAGRAPHS BELOW REFER TO THE SIMILARLY LETTERED SUBPARAGRAPHS IN PARAGRAPH 1.

(A) THE DOUBLING OF THE QUOTA BEING REQUESTED REFLECTS THE HEIGHTENED INTEREST OF THE AGRICULTURAL ADVISORY COMMITTEE, PARTICULARLY IN LIGHT OF THE RECENT NEGOTIATIONS WITH JAPAN WHEREIN A REQUEST FOR A SPECIAL HOTEL AND RESTAURANT QUOTA FIGURED PROMINENTLY. BECAUSE THE EUROPEAN COMMUNITY IS MUCH LARGER THAN JAPAN, WITH A CORRESPONDINGLY GREATER MARKET POTENTIAL, THE ORIGINAL FIGURE OF 5,000 TONS IS TOO LOW COMPARED WITH WHAT HAS BEEN ASKED AND WHAT IS BEING ASKED OF JAPAN.

(B) THE GATT PANEL ON MINIMUM IMPORT PRICE PRACTICES REVIEWED THIS ISSUE BUT ITS REPORT HAS BEEN DELAYED AND, IN ANY CASE, THE COMMUNITY'S RESPONSE IS NOT CLEAR. THE

U.S. CONCERN IS THE POTENTIAL FOR A POSSIBLY RESTRICTIVE SAFEGUARD ACTION FOR WHICH THE PRESENT LICENSING AND SECURITY DEPOSIT REQUIREMENTS LAY A FOUNDATION.

(C) THE ISSUE HERE IS THE SAME AS IN SUBPARAGRAPH B.

(D) FURTHER CONSULTATION WITH THE AGRICULTURAL ADVISORY COMMITTEE AND USDA COMMODITY SPECIALISTS INDICATES THAT U.S. EXPORTS OF PINEAPPLE JUICE ARE PRIMARILY UNSWEETENED AND THE U.S. NEGOTIATING EFFORT IN THIS AREA SHOULD THEREFORE CONCENTRATE ON THE UNSWEETENED JUICE.

3. CLARIFICATION

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IN RESPONSE TO THE REFERENCED CABLE, THE U.S. REQUESTS WITH RESPECT TO RICE (10.06 A II B; 10.06 B I B; AND 10.06 B II B) SEEK TO PUT A CEILING ON THE EC LEVIES AND TO BRING THIS CEILING DOWN FROM EXISTING LEVELS AS MUCH AS POSSIBLE. IN THE FIRST INSTANCE, THE UNITED STATES WOULD SEEK THIS OBJECTIVE THROUGH A 60-PERCENT REDUCTION IN THE LEVIES AS THEY WERE BEING APPLIED AT THE BEGINNING OF 1978. COMMISSION REGULATION NO. 9/78 OF JANUARY 4, 1978 INDICATES THAT THE LEVIES APPLICABLE TO THE UNITED STATES IN UNITS OF ACCOUNT PER TON ARE 83.76, 210.51, AND 225.67, RESPECTIVELY. THE U.S. REQUEST, THEREFORE, IS FOR BINDINGS AT CEILINGS OF 33, 84, AND 90 UNITS OF ACCOUNT RESPECTIVELY. THE DELEGATION SHOULD ENCOURAGE THE COMMUNITY REPRESENTATIVES TO MAKE ALTERNATIVE SUGGESTIONS, IF THE CEILING CONCEPT IS NOT ACCEPTABLE TO THEM, THAT WOULD HAVE A SIMILAR EFFECT. ANY SUCH PROPOSALS WILL BE TAKEN INTO CONSIDERATION IN WASHINGTON.

IN FURTHER RESPONSE TO THE REFERENCED CABLE, THE U.S. REQUESTS WITH RESPECT TO TURKEY (02.02 A IV AND 02.02 B) ARE FOR EXEMPTION FROM ANY LEVY SUPPLEMENTARY TO THE BASIC VARIABLE LEVY, ON WHICH NO REQUEST IS MADE. THIS KIND OF EXEMPTION WOULD NOT BE FUNDAMENTALLY CONTRADICTORY TO THE BASIC EC SYSTEM SINCE THE COMMUNITY ALREADY GRANTS IT TO VARIOUS COUNTRIES WHICH HAVE AGREED TO RESPECT EC GATE PRICES. HOWEVER, THE UNITED STATES IS NOT PREPARED TO MAKE THIS KIND OF COMMITMENT.

IN FURTHER RESPONSE TO THE REFERENCED CABLE, THE U.S. REQUESTS ON UNMANUFACTURED TOBACCO (24.01 A I; 24.01 A II; AND 24.01 B) ARE FOR A CONSOLIDATION OF THE 24.01 A AND 24.01 B CATEGORIES INTO ONE CATEGORY THAT WOULD BE DUTI-

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ABLE AT A RATE NO HIGHER THAN 28 UNITS OF ACCOUNT PER 100 KILOGRAMS. GIVEN THIS MAXIMUM SPECIFIC RATE, THE MINIMUM SPECIFIC RATE AND THE AD VALOREM RATE WOULD NOT BE OF GREAT IMPORTANCE. THE DELEGATION SHOULD MAKE CLEAR TO THE EC REPRESENTATIVES, HOWEVER, THAT THE U.S. REQUEST MAY BE ADJUSTED IN THE LIGHT OF ANY CHANGE WHICH THE COMMUNITY MAY MAKE IN ITS METHOD OF CALCULATING THE VALUE OF THE UNIT OF ACCOUNT.

IN FURTHER RESPONSE TO THE REFERENCED CABLE, THE U.S. REQUEST ON FLOUR, MEAL AND FLAKES OF POTATO (11.05) IS FOR ELIMINATION OF THE RESTRICTIVE LICENSING SYSTEM EMPLOYED BY GERMANY. THE U.S. REQUEST ON SPECIALTY FLOURS (EX 11.01 A) CONCERNS ALL FLOURS IN THIS CATEGORY THAT ARE

USED FOR PURPOSES OTHER THAN THE MAKING OF BREAD. THE U.S. REQUEST WITH RESPECT TO LARD (15.01 A 2), AS IT APPLIES TO A GROWTH FACTOR, IS FOR AN ANNUAL MFN INCREASE OF 5 PERCENT FOR AT LEAST 10 YEARS. IN FURTHER RESPONSE TO THE REFERENCE CABLE, THE U.S. REQUESTS ON MANUFACTURED TOBACCO PRODUCTS, FISH AND ALCOHOLIC BEVERAGES ARE CLARIFIED IN THE GUIDANCE MATERIALS FOR THE U.S./EC BILATERALS.

4. TECHNICAL CHANGES: THE FOLLOWING CORRECTIONS, WHICH CLARIFY OR CORRECT TERMINOLOGY AND WHICH DO NOT AMOUNT TO A NEW OR INCREASED REQUEST, SHOULD BE MADE IN THE U.S. REQUEST.

(A) EX 02.02 B THE DESCRIPTION SHOULD READ, "TURKEY PARTS, BONED OR BONE IN, FRESH CHILLED, OR FROZEN."

(B) EX 07.04 B THE DESCRIPTION SHOULD READ, "DEHYDRATED OR EVAPORATED VEGETABLES OTHER THAN ONIONS, WHOLE, CUT, SLICED, BROKEN, OR IN POWDER, BUT NOT FURTHER PREPARED: (EX: POTATOES)."

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(C) 12.03 E THE DESCRIPTION SHOULD READ, "SEEDS, FRUIT AND SPORES, OF A KIND USED FOR SOWING, N.E.S."

(D) 15.02 B 1 THE DESCRIPTION SHOULD READ "UNRENDERED FATS OF BOVINE CATTLE, RENDERED OR SOLVENT-EXTRACTED FATS (INCLUDING "PREMIER JUS") OBTAINED FROM THOSE FATS, FOR THE

MANUFACTURE OF FOODSTUFFS FOR HUMAN CONSUMPTION."

(E) 15.03 C THE DESCRIPTION SHOULD READ, IN PART, "OLEO-OIL"

(F) 15.06 THE DESCRIPTION SHOULD READ, "ANIMAL OILS AND FATS, N.E.S. (INCLUDING NEAT'S FOOT OIL AND FATS FROM BONES OR WASTE)

(G) EX 15.08 THE DESCRIPTION SHOULD READ IN PART "POLY-MERISED BY HEAT IN VACUUM OR IN INERT GAS."

(H) 16.02 B I A THE DESCRIPTION SHOULD READ "PREPARED OR PRESERVED POULTRY MEAT OR OFFAL (OTHER THAN LIVER), NES, CONTAINING 57 OR MORE BY WEIGHT OF POULTRY MEAT."

(I) 19.05 A THE DESCRIPTION SHOULD READ "PREPARED FOODS OBTAINED FROM THE SWELLING OR ROASTING OF CORN (CORN FLAKES, ETC.)."

(J) EX 20.06 B II A 8 THE "EX" IS ADDED. THE DESCRIPTION SHOULD READ, "OTHER FRUITS, NOT CONTAINING ADDED SPIRIT BUT CONTAINING ADDED SUGAR, IN CONTAINERS OVER 1 KG.: (EX: CHERRIES)."

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(K) EX 20.06 B II B 7 BB THE DESCRIPTION SHOULD READ "PEACHES, PREPARED OR PRESERVED, NO ALCOHOL, ADDED SUGAR, SUGAR CONTENT 15 OR LESS BY WEIGHT, IN CONTAINERS 1 KG. OR LESS."

(L) 21.04 B THE DESCRIPTION SHOULD READ, IN PART, "OTHER THAN LIQUID MANGO CHUTNEY."

(M) 24.01 A 1 THE DESCRIPTION SHOULD READ, "VIRGINIA TYPE AND LIGHT AND AIR-CURED BURLEY."

(N) 24.02 E THE DESCRIPTION SHOULD READ, "MANUFACTURED TOBACCO, NES, INCL. AGGLOMERATED TOBACCO IN THE FORM OF SHEETS OR STRIPS."

(O) 35.02 A II A 2 THE DESCRIPTION SHOULD READ, IN PART, "OTHER THAN DRIED."

(P) 35.02 A II B THE DESCRIPTION SHOULD READ, "OTHER ALBUMIN FIT FOR HUMAN CONSUMPTION."

(Q) 35.02 B THE DESCRIPTION SHOULD READ, "ALBUMINATES AND

OTHER ALBUMIN DERIVATIVES. VANCE

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